

P 070920Z MAY 92  
FM AMEMBASSY RANGOON  
TO SECSTATE WASHDC PRIORITY 0397  
DIA WASHDC  
AMEMBASSY BANGKOK  
USCINCPAC HONOLULU HI

S E C R E T SECTION 01 OF 02 RANGOON 02619

STATE FOR EAP/TB AND INM/AMB BORG  
CINCPAC ALSO FOR FPA

E.O. 12356: DECL: OADR  
TAGS: PGOV PINR BM  
SUBJECT: BURMA'S APRIL 23 "PALACE COUP"

REF: RANGOON 2558 (NOTAL)

¶1. SECRET ENTIRE TEXT.

¶2. ON MAY 6-7, TWO SOURCES WITH UNUSUALLY GOOD ACCESS TO BURMA'S MILITARY LEADERSHIP PROVIDED CHARGE WITH A TOUR D'HORIZON ON RECENT POLITICAL DEVELOPMENTS HERE. BOTH CONFIRMED OUR INITIAL ASSESSMENT OF BURMA'S APRIL 23 "PALACE COUP" WHEREIN FORMER HEAD OF STATE AND ARMED FORCES COMMANDER SAW MAUNG CEDED PLACE TO GENERAL THAN SHWE WHILE INTELLIGENCE KHIN NYUNT REMAINED "DE FACTO PRIME MINISTER" AND BEARER OF NE WIN'S EPISODIC POLICY SUGGESTIONS (REFTEL). CONCURRING THAT SAW MAUNG WAS GONE FOREVER DESPITE FACESAVING OFFICIAL RHETORIC TO THE CONTRARY, THEY NOTED THAT HIS SECURITY DETACHMENTS (ABOUT 1300 SOLDIERS IN ALL) HAD BEEN TRANSFERRED WITHIN 24 HOURS. AN UNDETERMINED NUMBER HAVE ALSO BEEN DETAINED FOR QUESTIONING BY MILITARY INTELLIGENCE (DDSI). ADDITIONALLY, THE DDSI IS CLOSELY MONITORING ARMY CHIEF OF STAFF TIN OO AND SEVERAL OTHER SENIOR MILITARY WHO HAD ARGUED FOR KEEPING SAW MAUNG IN POWER DURING SEVERAL MID-APRIL SLORC STRATEGY SESSIONS.

¶3. ONE SOURCE, A LONGTIME NE WIN CONFIDANTE, SAID THAT SAW MAUNG'S RETIREMENT, WHILE PRECIPITATED BY A SHARP DECLINE IN HIS HEALTH IN EARLY APRIL, HAD ACTUALLY BEEN IN THE WORKS FOR SEVERAL MONTHS. IMPARTING MESSAGES VIA KHIN NYUNT, NE WIN HAD AT LEAST TWICE PUT OUT THE WORD THAT IT WAS TIME FOR THE AILING SENIOR GENERAL TO CONSIDER STEPPING DOWN. COMMENT: THIS TRACKS WITH EARLIER AARO/RANGOON REPORTING AND OTHER EMBASSY INTELLIGENCE. HOWEVER, IT IS UNCLEAR WHETHER THE INITIAL IMPETUS CAME FROM NE WIN OR FROM THAN SHWE/KHIN NYUNT WHO HAD EARLIER PUSHED SAW MAUNG UNSUCCESSFULLY TO INITIATE SOME POLITICAL/ECONOMIC REFORMS. IN THIS REGARD, OUR OTHER SOURCE -- THE ONLY FOREIGNER GENUINELY CLOSE TO THE JUNTA -- ALLOWED THAT IT WAS DISTINCTLY POSSIBLE THAT KHIN NYUNT HAD PRESENTED NE WIN WITH REASONS FOR LEVERING SAW MAUNG OUT OF POWER. THESE MAY THEN HAVE BEEN PLAYED BACK, WITH NE WIN'S IMPRIMATUR, TO THE COLLECTIVE SLORC IN MID-APRIL.

¶4. ONE INFORMANT NOTED THAT WHILE THE SLORC HAD COLLECTIVELY AGREED THAT SAW MAUNG SHOULD STEP DOWN, THE FINAL PUSH CAME VIA A FOLLOW-UP LETTER FROM NE WIN. QUOTING SAW MAUNG'S SON AND STAFF AIDE AS HIS SOURCES, OUR INTERLOCUTOR SAID THE LETTER HAD BEEN HAND DELIVERED BY A "WEEPY" KHIN NYUNT. REACTING ANGRILY -- "NE WIN COULD HAVE TOLD ME PERSONALLY" -- SAW MAUNG THEN DESPATCHED HIS SON TO NE WIN'S RESIDENCE WITH A RECLAMA, WHICH PROVED UNSUCCESSFUL. THEREAFTER, SAW MAUNG WAS UNDER HEAVY SEDATION MIXED WITH PULLS FROM THE BOTTLE, AND ALL BUT INERT ON APRIL 23.

¶5. LOOKING AHEAD, BOTH SOURCES SAID THAT THE NEW REGIME'S RECENT POSITIVE STEPS DID NOT PRESAGE A WHOLESALE LIBERALIZATION OF BURMA. THE MILITARY

MIND-SET THAT PERCEIVES THE ARMY AS "INDISPENSIBLE TO A BELEAGUERED, FRAGILE NATION" IS STILL THERE. THAT SAID, THEY EXPECTED AT LEAST HALTING PROGRESS TOWARDS A COSMETIC DEMOCRACY AND TRUE ECONOMIC REFORM. TO THESE ENDS, SENIOR REGIONAL COMMANDERS ARE TO BE CALLED IN WITHIN A WEEK OR SO TO DISCUSS BANKING LIBERALIZATION, CURRENCY RATE READJUSTMENT AND WAYS TO BUILD ON THE RECENT GOB CEASE-FIRE VIS-A-VIS THE KAREN INSURGENTS.

**¶6.** AS FOR THE STABILITY OF BURMA'S REVISED MILITARY LEADERSHIP, NEITHER FORESAW AN/ SPECIFIC IMPENDING PROBLEMS. THAN SHWE, THOUGH NOT PARTICULARLY CLOSE TO THE OLDER MEMBERS OF THE SLORC, ENJOYS GENERALLY GOOD TIES WITH THE KEY UPCOUNTRY COMMANDERS AND ACCEPTABLE WORKING RELATIONS WITH KHIN NYUNT AND OTHER MAJOR PLAYERS IN RANGOON. ALSO, LEST THE WATERS BE UNDULY ROILED (AND TO CONCENTRATE HIS OWN POWER), THE NEW HEAD OF STATE PLANS FOR NOW TO LEAVE THE DEPUTY ARMED FORCES COMMANDER AND ARMY CINC POSITIONS VACANT. COMMENT: WE HAVE ALSO HEARD INDICATIONS THAT THAN SHWE HAS ABOLISHED OR WILL SOON ABOLISH THESE POSITIONS.

HUDDLE